VZCZCXRO4050 OO RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR DE RUEHPS #0259/01 0940953 ZNY CCCCC ZZH O 040953Z APR 07 FM USOFFICE PRISTINA TO RUEHC/SECSTATE WASHDC IMMEDIATE 7220 INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY RUCNDT/USMISSION USUN NEW YORK PRIORITY 1109 RHMFISS/CDR USEUCOM VAIHINGEN GE PRIORITY RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK PRIORITY RHFMISS/AFSOUTH NAPLES IT PRIORITY RHMFISS/CDR TF FALCON PRIORITY RHEFDIA/DIA WASHDC PRIORITY RUEKJCS/SECDEF WASHINGTON DC PRIORITY RUEPGEA/CDR650THMIGP SHAPE BE PRIORITY RHEHNSC/NSC WASHDC PRIORITY RUEAWJA/DEPT OF JUSTICE WASHDC PRIORITY RUFOANA/USNIC PRISTINA SR PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 PRISTINA 000259

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DEPT FOR EUR/SCE, DRL, INL, AND S/WCI, NSC FOR BRAUN, USUN FOR DREW SCHUFLETOWSKI, USOSCE FOR STEVE STEGER, OPDAT FOR ACKER

E.O. 12958: DECL: 03/19/2017

TAGS: PGOV KJUS KCRM EAID KDEM UNMIK YI
SUBJECT: KOSOVO: RECENTLY LAUNCHED PILOT KPC REINTEGRATION
PROGRAM PAVES WAY FOR LARGER, POST-STATUS PROGRAM

Classified By: COM TINA KAIDANOW FOR REASONS 1.4 (B) AND (D).

11. (SBU) SUMMARY: The UK's Ministry of Defence (UKMOD) launched a pilot reintegration program for 80 separated Kosovo Protection Corps (KPC) members in January 2007. The program, which the International Organization for Migration (IOM) is managing, assists participants with finding new jobs or pursuing small business opportunities, and will serve as the basis for the much larger KPC reintegration program called for under UN Special Envoy Martti Ahtisaari's final status proposal. Less than three months into the program, there are some encouraging signs. Seven participants have submitted activity requests (for training for employment or self-employment, employment referrals or micro-grants for small business development), 21 have activity requests in the pipeline, and another 24 are actively working with IOM counselors to determine their best reintegration options. Nevertheless, confusion over inclusion in the program and inaccurate contact lists have hindered some participants, and a few show no interest in taking part in the program. UKMOD and the Office of the KPC Coordinator (OKPCC) indicate they are likely to accept an IOM proposal to cease cooperation with those who are not participating in order to make room for others who are interested. They also report that they hope to organize a donors' conference by fall 2007 to gain additional support for the pilot program and raise awareness for the larger, post-status reintegration program. END SUMMARY.

UKMOD Launches Pilot KPC Reintegration Program

12. (SBU) The KPC and UNMIK's Office of the KPC Coordinator (OKPCC) recognize the need to retire aging members of the KPC to lower the average age and create opportunities for younger members. Anticipating the KPC's disbandment and the creation of a new, lightly-armed Kosovo Security Force (KSF) as set out in the final status proposal, the UK's Ministry of Defence (UKMOD) launched a pilot reintegration program for 80 separated KPC members in January 2007. It contracted the International Organization for Migration (IOM) to manage the program. The program's goal is two-fold: to help some older KPC members find jobs or start new businesses, and to build a

knowledge and experience base for a much larger future reintegration program for those KPC members who will be unable to qualify for positions in the new KSF. The pilot program has three components under which participants can submit activity requests: training for employment or self-employment, employment referrals including on-the-job training, and technical and financial assistance (micro-grants) for small business development. LTC James Wood, a British officer in the OKPCC, told USOP he expects between 800 and 1,600 to qualify for the larger, post-status program.

Creative Activity Requests Are Emerging, but a Few $\operatorname{Ex-KPC}$ Are Lagging Behind

13. (SBU) In their February 2007 monthly report, IOM noted that seven participants have submitted activity requests and 21 have activity requests in the pipeline. One activity request is for employment referral with on-the-job training, and the other six are for technical and financial assistance for small business development in the agricultural, construction and service sectors. Another 24 participants are working with IOM counselors to determine their best reintegration options and begin drafting their activity requests. Their ideas include starting a dairy and opening a bakery in an area where shops currently import a popular bread from Croatia. IOM is also researching possible employment opportunities with a private company that provides fire-fighting and rescue services, as well as in the forestry industry, and in newly-created or soon-to-be-created government institutions such as the Border and Boundary Police.

14. (SBU) Although most participants have gotten off to a good PRISTINA 00000259 002 OF 002

start, confusion over who was actually nominated for the program and difficulty in locating some of the separated KPC members has caused some to lag behind and resulted in slots and resources being wasted on others. For example, two participants informed IOM that their commanders said they were erroneously included in the project, and seven report that they are awaiting conversations with their superiors before deciding whether to participate. One individual that IOM contacted was not aware that he was on the project list, and IOM discovered that six people on the list are no longer in Kosovo.

Other Interested KPC Members May Join the Pilot Project

¶5. (SBU) During a March 5 project review meeting, the KPC's personnel chief said additional KPC members have expressed an interest in participating in the pilot program, and asked if it might be possible to accommodate them. IOM suggested discontinuing the participants who have shown no interest in the program in order to make room for those who are interested. LTC Wood said the UKMOD and OKPCC are likely to accept this proposal, but unlikely to be able to accommodate everyone who wants to join the pilot program. He has asked the KPC for a list of interested members and expects to receive about 20 names, but IOM's February report indicates that only 10 current participants are uninterested in the program. When asked about the newly interested KPC member's motives, LTC Wood said he believed seeing ex-colleagues' positive experiences with the program had encouraged some, while others simply worried about getting a worse deal as part of the larger, post-status reintegration program.

Donor Conference Coming

16. (SBU) UKMOD civilian official Richard Morris and LTC Wood told USOP they hope to hold a business and donors' conference by fall 2007 to gain additional support for the pilot project and raise awareness for the larger, post-status reintegration program. They will invite USOP and other liaison offices in Pristina, as well as local businesses and international

organizations. Their goal is not only to raise funds and awareness for these important reintegration projects, but to identify employment opportunities for separated KPC members in Kosovo businesses and government organizations.

- 17. (C) COMMENT: The reintegration of separated KPC members will be important for peace and stability in Kosovo. In addition to the security threat posed by former KPC members -- most of whom have roots in the Kosovo Liberation Army (KLA) guerilla force -- there is a potential political problem. As we saw following the publication of the Ahtisaari report, many members of the Kosovo Albanian political class (notably PM Ceku and PDK leader Thaci) try to one-up each other in their devotion to the "veterans, the disabled, and the widows and orphans" of the KLA. As promising as this program may be, we suspect that the focus of war veterans' groups lobbying will be on generous life-time pensions. A few entrepreneurs may seek micro-credit to start businesses, but we expect some popular support when the veterans call for labor-free sinecure. In a preview of things to come, the Ministry of Finance has already sought our support to head off calls for such pensions, which would strain the Kosovo budget and be opposed by the IFIS. Post will closely monitor the pilot reintegration program and plans for the larger, post-status reintegration program. Our assistance planning includes support for demobilization; we will work with EUR/ACE, DoD and others to coordinate our efforts. END COMMENT.
- 18. (SBU) U.S. Office Pristina clears this cable in its entirety for release to U.N. Special Envoy Martti Ahtisaari. KAIDANOW